

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

UNITED PUBLIC WORKERS,	)	CIVIL NO. CV03-00598 DAE LEK
AFSCME, LOCAL 646, AFL-CIO,	)	
MUTUAL AID FUND TRUST,	)	DECLARATION OF ALISON
	)	LEONG
Plaintiff,	)	
	)	
vs.	)	
	)	
GARY RODRIGUES,	)	
	)	
Defendant.	)	
_____	)	

DECLARATION OF ALISON LEONG

1. I was a Trustee on the Board of Trustees for the United Public Workers, AFSCME Local 646, AFL-CIO, Mutual Aid Fund Trust ("MAF Trust") during the years in question, 1998 - 2001. I make the statements below based upon personal knowledge and am competent to testify to same.

2. During the above-referenced years, Gary Rodrigues was the State Director of UPW and the Plan Administrator of the MAF Trust.

3. During the above-referenced years, the MAF Trust's Board generally followed Mr. Rodrigues' directions and recommendations. I do not know of a time that the Board did not follow Mr. Rodrigues' directions and recommendations. The Board meetings were short, typically 15 minutes or less,

and were generally procedural in nature and not substantive, with very little in the way of questions or discussions. Some Board meetings took place immediately after the end of UPW State Executive Board meetings.

4. The Board trusted and relied on Mr. Rodrigues to invest the MAF Trust monies wisely. Mr. Rodrigues controlled and managed the MAF Trust investments together with an investment advisor that he selected. Mr. Rodrigues did not ask for or obtain Board approval for specific investments and the Board did not vote on specific investments.

5. The first time Mr. Rodrigues told the Board about Best Rescue Systems, Inc. ("Best Rescue") was at Board meeting in 1999. Mr. Rodrigues told the Board that Best Rescue made a fire rescue product for high-rise buildings and that Best Rescue was a good investment. The audited Financial Statements for the year 1998, provided to the Board on July 19, 1999, show that the MAF Trust had already loaned monies to Best Rescue before Mr. Rodrigues first told the Board about Best Rescue. Mr. Rodrigues also did not ask for or obtain Board approval for subsequent Best Rescue loans and the Board did not vote on any of the Best Rescue loans.

6. The next time Mr. Rodrigues told the Board about Best Rescue was in 2001. Mr. Rodrigues told the Board that Best Rescue defaulted on the

MAF Trust loans, that a lawsuit had been filed against Best Rescue to collect the \$1.1 million owed to the MAF Trust, and that he felt that the entire amount would be collected.

7. The last time Mr. Rodrigues told the Board about Best Rescue was later in 2001. Mr. Rodrigues told the Board that Best Rescue folded, that he felt that the amounts loaned were uncollectible, and that the amounts were charged off as a loss in 2000.

I, Alison Leong, do declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawaii, May 2<sup>nd</sup>, 2007.

  
ALISON LEONG